sector, the latest figures of advances outstanding as on last Friday of September, 1990 (latest available) in respect of Jammu & Kashmir area are as under :—

Number of accounts : 2602

Amount Outstanding : Rs. 25.28 crores

The recovery position in respect of each sector of advances of banks is not maintained in RBI. The steps taken, in general, by RBI for improving recovery are as follows :—

1. Banks have been impresed upon to institute a viable recovery system with a view to help recycling the resources of the banks to the needy and productive sectors of the economy on the one hand, and to improve the profitability and viability of the lending banks, on the other.

2. The Chief Executive of the banks have been advised to pay their personal attention to the monitoring of large advances.

3. Introduction of a comprehensive and uniform grading system to indicate the health of individual advances for the purpose of their effective monitoring and follow up.

4. To keep a watch on the recovery of top sticky accounts at the Board level.

5. Taking action against the officials where advances are found to have become sticky due to their negligence, inefficiency, etc.

India's Growth Rates

753. SHRI RAMDAS AGARWAL : Will the Minister of FINANCE be pleased to state :

(a) whether Government's attention has been drawn to a news item in Hindustan Times of 16th April, 1992 captioned "India's growth rates to rise by five percent" based on Global Economic prospects and the Developing countries 1992 report published in Washington by the World Bank ;

(b) if so, the details thereof ;

(c) whether India's present economic reforms would help in restoring growth momentum by the mid-1990 leading to an average growth rate of nearly five percent a year as predicted by the Word Bank ;

(d) whether India would be able to finance the domestic investment requirements largely from our own savings in case of limited external financial help received during 1992-93 ; and

(e) if so, the details in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR) : (a) and (b) Yes, Sir. According to the news item appearing in Hindustan Times of 16-4-1992 *inter-alia*, India's economic reforms are expected to help in restoring growth mo momentum by the mid-1990 leading to a average growth rate of five per cent a year

(c) Economic reforms initiated in trade industry, pubic sector, external sector an fiscal front are expected to provide dyna mism and increase the competitiveness o the economy. As a result the GDP growt rate during the Eighth Five Year Pla (1992—97) is expected to be over five pe cent.

(d) and (e) India's dependence on foreig assistance for implementation of investmer programmes has been minimal so fa About 90 per cent of funds required hav been met through internal resources. A per the Directional Paper for the Eight Five Year Plan (1992—97), published b the Planning Commission in Decembe 1991, for a growth rate of 5.6 per cent GDP, the total investment requiremer will be 23 per cent of GDP. This will b financed by gross domestic saving rate 21.6 per cent of GDP and a net inflow foreign capital of 1.4 per cent GDP.

Depriving Rajasthan of its due Share Certain Receipts

754. SHRI RAM DAS AGARWAL : W the Minister of FINANCE be pleased state :

(a) whether his attention has been draw to the reported interview of Chief Mini ter of Rajasthan in Jaipur on 10th Apr

1992 given exclusively to Financial Express which appeared in its New Delhi edition of the 11th April, 1992 captioned "Centre accused of depriving Rajasthan of due resources";

(b) if so, what are the details thereof: and

(c) what is the reaction of his Ministry thereto and how it is proposed to allow Rajasthan in its due legitimate shares in the receipts of the corporation taxes and surcharge on income tax, railway fares and freights and levy of the consignment tax etc. and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHANTARAM POTDUKHE): (a) Yes, Sir.

(b) and (c) Main points raised by the Chief Minister, Rajasthan, in his interview to Financial Express in Jaipur on 10-4-1992 along with the comments of the Government of India are as under:

(i) *Allowing the States to levy consignment tax.*

Discussions and consultations have been held with State Govts. to evolve a commonly agreed proposal. The matter requires further consultations with the States.

(ii) *To make the receipts of corporation tax and surcharge on Income Tax shareable with the States.*

The Constitution does not provide for sharing of these proceeds with the States.

(iii) *Issue of the revision of royalty on major minerals*

Royalty rates on minerals were earlier notified on 5-5-1987 and recently revised 17-2-1992. After the last revision in 1987 the next revision was due in May, 1990. A Study Group was constituted by the Ministry of Mines in April, 1989 to consider the question of revision of royalty rates on minerals other than coal, lignite, sand for stowing and minor minerals. The Study Group submitted its report in April, 1990. Due to various court cases, the recommendations of the Study Group were re-examined. After re-examination, revised rates were notified on 17-2-1992.

(iv) *Due share of States in the railway fares and freights.*

The grant in lieu of tax on Railway Passengers fares is being distributed to the States in accordance with the recommendation of the Finance Commission.

(v) *Suitable modification of the Gadgil Formula to deal State like Rajasthan differently.*

The Gadgil Formula was modified in National Development Council meeting in December, 1991. The modified formua goes in favour of financialy weaker States including Rajasthan.

(vi) *Share of States in Small Savings collections.*

With the recent announcement of certain measures of the Government aiming at encouraging small savings investments, it is expected that the States' share of loan entitlements against the small saving collections may increase further.

Raising Funds for Man Khurd—Belapur Railway Project

755. SHRI PRAMOD MAHAJAN: Will the Minister of FINANCE be pleased to states:

(a) whether it is a fact that Government of Maharashtra have asked for permission from Central Government to raise additional funds for Mankhurd-Belapur Railway Project from Open Market borrowing; and

(b) if so, what are the details thereof and what action has been taken by Central Government thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHANTARAM POTDUKHE): (a) and (b) Maharashtra Government has sought additional market borrowing of Rs. 100 crores for the CIDCO for this Railway project for the year 1991-92 and 1992-93. The market borrowing allocations for Central & State institutions for 1992-93 are yet to be decided by the Reserve Bank of India. The request of the State Government has been passed on to the Reserve Bank of India. As regards 1991-92 as the investible resources were already fully allocated no allocation was made to CIDCO